

Livingston Parish Sheriff

Annual Financial Statements

As of and for the Year Then Ended June 30, 2011
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 01 2012

**Livingston Parish Sheriff
Livingston, Louisiana**

**Annual Financial Statements
As of and for the Year Ended June 30, 2011
With Supplemental Information Schedules**

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report		5
Required Supplemental Information (Part I):		
Management's Discussion and Analysis.....		9
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets.....	A	18
Statement of Activities	B	19
Fund Financial Statements:		
Governmental Funds Financial Statements:		
Balance Sheet, Governmental Funds	C	21
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets	D	22
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	E	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities	F	24
Fiduciary Fund Financial Statements:		
Statement of Net Assets – Fiduciary Funds	G	26
Statement of Changes in Net Assets – Fiduciary Trust Fund.....	H	27
Statement of Changes in Net Assets – Fiduciary Agency Funds	I	28
Notes to the Financial Statements		30

**Livingston Parish Sheriff
Livingston, Louisiana**

**Annual Financial Statements
As of and for the Year Ended June 30, 2011
With Supplemental Information Schedules**

TABLE OF CONTENTS

	Schedule	Page
Required Supplemental Information (Part II):		
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund.....	1	52
Notes to Budget Comparison Schedules		53
Other Supplemental Information (Part III):		
Tax Collector Account Affidavit.....	2	55
Schedules of Audit Findings Resolution		
Summary Schedule of Audit Results	3	56
Summary Schedule of Prior Year Audit Findings	4	57
Summary Schedule of Current Year Audit Findings	5	62
Other Independent Auditor's Reports:		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards		63

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Independent Auditor's Report

To the Honorable Willie Graves
Livingston Parish Sheriff
Ex-Officio Parish Tax Collector
Livingston Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Livingston Parish Sheriff (hereinafter referred to as the "Sheriff") as of and for the year ended June 30, 2011, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards, generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information for the Sheriff, as of June 30, 2011 and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, We have issued our report dated October 4, 2011 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Livingston Parish Sheriff
Independent Auditor's Report
Page 2

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

October 4, 2011

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Required Supplemental Information (Part I)

Management's Discussion and Analysis

Livingston Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2011

Introduction

As management of the Livingston Parish Sheriff, Livingston, Louisiana, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2011. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Livingston Parish Sheriff's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Sheriff's finances. It is also intended to provide readers with an analysis of the Sheriff's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Sheriff. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Livingston Parish Sheriff's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- The Sheriff's government wide assets exceeded its liabilities by \$9,953,656 (net assets). Of this amount, \$6,183,066 (unrestricted net assets) may be used to meet the Sheriff's ongoing obligations to the Parish. An amount of \$3,770,590 is invested in capital assets, net of related debt.
- For the year ended June 30, 2011, the Sheriff's total government wide net assets decreased by \$(537,828).
- At June 30, 2011, the Sheriff's governmental fund reported an ending fund balance of \$4,717,071, an increase of \$570,630 for the year. Of this amount a total of \$1,717,071 is available for spending at the Sheriff's discretion (unreserved fund balance). The remainder of \$3,000,000 is designated for self insurance.

Overview of the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the Livingston Parish Sheriff's financial statements. The Livingston Parish Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Livingston Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2011

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Livingston Parish Sheriff's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Livingston Parish Sheriff's assets and liabilities using the accrual basis of accounting. The difference between the assets and the liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Livingston Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Livingston Parish Sheriff that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Livingston Parish Sheriff's only governmental activity is public safety. The Livingston Parish Sheriff does not at this time have any business-type activities.

The government-wide financial statements can be found on pages 18 - 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Livingston Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Sheriff can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effects of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Livingston Parish Sheriff maintains one individual governmental fund. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2011

The Livingston Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 21 - 24 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Livingston Parish Sheriff's own programs. The Sheriff reports its Post Retirement Benefits Trust Fund as a fiduciary fund, and has three agency funds, including the Sheriff's Fund, Tax Collector Fund, and Inmate Deposit Fund.

The basic fiduciary fund financial statements can be found on pages 26 - 28 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This can be found on page 55 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Sheriff's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets on page 18 of this report.

Net Assets 2011 and 2010			
		Governmental Activities	
		2011	2010
Assets:			(Restated)
Current and Other Assets	\$	7,747,009	\$ 8,230,100
Capital Assets		3,770,590	3,957,591
Total Assets		<u>11,517,599</u>	<u>12,187,691</u>
Liabilities:			
Long-Term Debt Outstanding		173,385	-
Other Liabilities		1,390,558	1,696,207
Total Liabilities		<u>1,563,943</u>	<u>1,696,207</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt		3,770,590	3,957,591
Unrestricted		6,183,066	6,533,893
Total Net Assets	\$	<u><u>9,953,656</u></u>	<u><u>10,491,484</u></u>

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2011

One of the largest portions of the Livingston Parish Sheriff's net assets (38 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Livingston parish Sheriff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Livingston Parish Sheriff's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Livingston Parish Sheriff is able to report positive balances in both categories of net assets, government as a whole and separate governmental activities. The same situation held true for the prior fiscal year. The remaining balance of *unrestricted net assets* (62 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

The Sheriff's activities decreased its total net assets by \$(537,828) during the current fiscal year.

In order to further understand what makes up the changes in net assets, the table on the following page provides a summary of the results of the Sheriff's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 19 of this report.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2011

Changes in Net Assets

For the years ended June 30, 2011 and 2010

	Governmental Activities		Variance	
	2011	2010 (Restated)	Amount	Percentage
Revenues:				
Program Revenues:				
Charges for Services	\$ 3,277,925	\$ 2,787,590	\$ 490,335	18%
Operating Grants and Contributions	191,603	462,467	(270,864)	-59%
Capital Grants and Contributions	154,300	-	154,300	100%
General Revenues:				
Property Taxes	8,584,245	8,282,446	301,799	4%
Sales Taxes	6,097,507	5,930,232	167,275	3%
Intergovernmental	3,159,585	2,842,852	316,733	11%
Interest Income	35,778	37,405	(1,627)	-4%
Miscellaneous	633,096	917,560	(284,464)	-31%
Gain (Loss) on Sale of Assets	3,686	(8,573)	12,259	143%
Total Revenues	<u>22,137,725</u>	<u>21,251,979</u>	<u>885,746</u>	<u>4%</u>
Expenses:				
Public Safety	<u>22,675,553</u>	<u>22,839,374</u>	<u>(163,821)</u>	<u>-1%</u>
Total Expenses	<u>22,675,553</u>	<u>22,839,374</u>	<u>(163,821)</u>	<u>-1%</u>
Increase (Decrease) in Net Assets	<u>(537,828)</u>	<u>(1,587,395)</u>	<u>1,049,567</u>	<u>66%</u>
Net Assets - Beginning	<u>10,633,510</u>	<u>12,078,879</u>	<u>(1,445,369)</u>	<u>-12%</u>
Prior Period Adjustments (Note 18)	<u>(142,026)</u>	<u>-</u>	<u>(142,026)</u>	
Net Assets - Beginning (Restated)	<u>10,491,484</u>	<u>12,078,879</u>	<u>(1,587,395)</u>	<u>-13%</u>
Net Assets, Ending	<u>\$ 9,953,656</u>	<u>\$ 10,491,484</u>	<u>\$ (537,828)</u>	<u>-5%</u>

Livingston Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2011

Governmental Activities

Governmental activities decreased the Livingston Parish Sheriff's net assets by \$537,828. Key elements of this change in net assets as shown on the previous page are as follows:

- Property taxes increased by \$301,799 or 4 percent in 2011.
- Sales taxes increased \$167,275 or 3 percent in 2011.
- A component of intergovernmental revenue increased \$316,733 or 11 percent in 2011.
- Total public safety expenses decreased in total by \$163,821 or less than 1 percent

Fund Financial Analysis

As noted earlier, the Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Sheriff's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Sheriff's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the Livingston Parish Sheriff. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,717,071, an increase of \$570,630. Approximately 36 percent of this total amount, \$1,717,071, constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for self insurance for \$3,000,000.

As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund operating expenditures plus other financing uses totaling \$21,660,519. Unreserved fund balance represents eight percent of total general fund operating expenditures and other financing source outflows.

Major Fund Budgetary Highlights

Differences between the original and final amended budgets of the major funds budgeted for expenditures resulted in an increase of \$2,043,368 in appropriations. The largest increases in the original and final budgets during the year were to prisoner materials and supplies of \$716,000.

The actual revenues for the general fund were more than the final budget by \$1,029,054 and actual appropriations were more than the final budget by \$837,301.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2011

Capital Assets and Debt Administration

Capital Assets

The Livingston Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2011, amounted to \$3,770,590 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Sheriff's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 5 to the financial statements on page 39 of this report.

Capital Assets (Net of Depreciation)
2011 and 2010

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2011	2010		
Land	\$ 269,556	\$ 269,556	\$ -	0%
Buildings and Tower	300,711	300,711	-	0%
Equipment and Furniture	4,993,998	4,786,163	207,835	4%
Vehicles	4,180,104	4,060,890	119,214	3%
Subtotal Capital Assets	9,744,369	9,417,320	327,049	3%
Less: Accumulated Depreciation	(5,973,779)	(5,459,729)	514,050	9%
Capital Assets, Net	\$ 3,770,590	\$ 3,957,591	\$ (187,001)	-5%

Other Post Employment Benefits

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions (GASB 45). The statement was implemented prospectively. Using this method, the beginning other post-employment benefits (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) will be amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The total ARC for the Fiscal year ending June 30, 2011 is \$1,097,224 for medical and life combined.

Livingston Parish Sheriff

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2011**

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Livingston Parish Sheriff's budget for the 2011 fiscal year:

- The two major revenue sources for the general fund are ad valorem taxes and sales and use taxes. Ad valorem tax increased by \$301,799 between 2010 and 2011.
- Sales tax revenues increased by approximately \$167,275 between 2010 and 2011.

Request for Information

This financial report is designed to provide a general overview of the Livingston Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ronnie Morse, Chief Civil Deputy of the Livingston Parish Sheriff, at (225) 686-2241.

Basic Financial Statements

Government-Wide Financial Statements

Livingston Parish Sheriff
Statement of Net Assets
As of June 30, 2011

Statement A

	<u>Primary Government Governmental Activities</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 4,806,950
Receivables, Net:	1,530,110
Total Current Assets	<u>6,337,060</u>
Restricted Assets:	
Noncurrent	
Net Other Post Employment Benefit Asset	1,409,949
Total Restricted Assets	<u>1,409,949</u>
Capital Assets:	
Land	269,556
Capital Assets, Net	3,501,034
Total Capital Assets	<u>3,770,590</u>
Total Assets	<u>11,517,599</u>
Liabilities	
Current Liabilities:	
Accounts Payable	246,207
Other Accrued Payables	1,114,351
Deferred Revenues	30,000
Total Current Liabilities	<u>1,390,558</u>
Long Term Liabilities:	
Compensated Absences Payable	173,385
Total Long Term Liabilities	<u>173,385</u>
Total Liabilities	<u>1,563,943</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	3,770,590
Unrestricted	6,183,066
Total Net Assets	<u>\$ 9,953,656</u>

The accompanying notes are an integral part of this statement.

Statement B

Livingston Parish Sheriff
Statement of Activities
For the year ended June 30, 2011

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government Governmental Activities
	Expenses				
Governmental Activities					
Public Safety	22,675,553	3,277,925	191,603	154,300	(19,051,725)
Total Governmental Activities	<u>22,675,553</u>	<u>3,277,925</u>	<u>191,603</u>	<u>154,300</u>	<u>(19,051,725)</u>
General Revenues:					
Taxes:					
Property Taxes					8,584,245
Sales Taxes					6,097,507
Intergovernmental					
For Support of Prisoners					2,272,805
Reimbursements					241,894
State Revenue Sharing					644,886
Investment Earnings					35,778
On Behalf Payments - State Supplemental Pay					414,880
Miscellaneous					218,216
Gain on Sale of Assets					<u>3,686</u>
Total General Revenues and Transfers					<u>18,513,897</u>
Change in Net Assets					<u>(537,828)</u>
Net Assets - Beginning					10,633,510
Prior Period Adjustments (Note 19)					<u>(142,026)</u>
Net Assets - Beginning (Restated)					<u>10,491,484</u>
Net Assets - Ending					<u>\$ 9,953,656</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Livingston Parish Sheriff
Balance Sheet, Governmental Funds
As of June 30, 2011

Statement C

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ 4,806,950
Receivables, Net:	
Due from Other Governments	1,084,821
Other	49,085
Due From Other Funds	166,773
Total Assets	<u>\$ 6,107,629</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 246,207
Accrued Wages and Employee Benefits	316,173
Due to Other Governments	798,178
Deferred Revenues	30,000
Total Liabilities	<u>1,390,558</u>
Fund Balances:	
Committed for Self Insurance	3,000,000
Unassigned	1,717,071
Total Fund Balances	<u>4,717,071</u>
Total Liabilities and Fund Balances	<u>\$ 6,107,629</u>

The accompanying notes are an integral part of this statement.

Statement D

**Livingston Parish Sheriff
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
As of June 30, 2011**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	4,717,071
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		3,770,590
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Certain revenues are deferred in the fund financial statements until they are considered available to finance current expenditures, but these revenues are recognized when they are assessed in the government wide financial statements.

229,431

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental fund.

Compensated Absences Payable		(173,385)
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The liability associated with the net unfunded long-term Other Post Employment Benefit Obligation Asset is also not payable in the current period. Therefore, the amount is not reported in the Governmental fund.

1,409,949

Net Assets of Governmental Activities (Statement A)	\$	<u><u>9,953,656</u></u>
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The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended June 30, 2011**

Statement E

	<u>General Fund</u>
Revenues	
Taxes	
Ad valorem	\$ 8,584,245
Sales and Use	6,097,507
Intergovernmental	
Grants	348,018
Support of Prisoners	2,272,805
State Revenue Sharing	644,886
Fines, Forfeitures and Other Fees	3,192,771
Use of Money and Property	374,943
Miscellaneous	206,099
On Behalf Payments - State Supplemental Pay	414,880
Total Revenues	<u>22,136,154</u>
Expenditures	
Public Safety	
Personal Services and Related Benefits	
Salaries	9,772,241
Employee Benefits	5,389,506
Operating Services	1,450,316
Professional Services	1,168,844
Materials and Supplies	
General	754,878
Prisoners	1,319,358
Vehicles	765,039
Total Public Safety	<u>20,620,182</u>
Capital Outlays	<u>1,040,337</u>
Total Expenditures	<u>21,660,519</u>
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	<u>475,635</u>
Other Financing Sources (Uses)	
Proceeds from Sale of Capital Assets	\$ <u>94,995</u>
Total Other Financing Sources (Uses)	<u>94,995</u>
Net Change in Fund Balances	<u>570,630</u>
Fund Balances, Beginning	<u>4,146,441</u>
Fund Balances, Ending	<u>\$ <u>4,717,071</u></u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the year ended June 30, 2011

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E **\$ 570,630**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

Expenditures for capital assets	\$ 1,040,337	
Gain on sale of capital assets	3,686	
Less:		
Proceeds from the sale of capital assets	(94,995)	
Current year depreciation	<u>(1,136,029)</u>	
		(187,001)

Certain revenues are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed in the government wide financial statements.

(2,115)

In the Statement of Activities, certain operating expenses-compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, (essentially, the amounts actually paid) vacation and sick time earned exceeded the amounts used.

(173,385)

(Increases) or decreases in the unfunded post-employment benefit obligations for medical and life insurance netted against the assets in trust to fund those estimated liabilities in future periods are not recorded for governmental funds on the fund basis.

(745,957)

Change in Net Assets of Governmental Activities, Statement B **\$ (537,828)**

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fiduciary Fund Financial Statements

Livingston Parish Sheriff
Statement of Net Assets - Fiduciary Funds
As of June 30, 2011

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	<u>Retired Employees Benefit Fund</u>	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Inmate Deposit Fund</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 1,093,257	\$ 885,246	\$ 1,832,664	\$ 72,562
Investments	5,004,201			
Total Assets	<u>6,097,458</u>	<u>885,246</u>	<u>1,832,664</u>	<u>72,562</u>
Liabilities				
Held for taxing bodies and others	-	885,246	1,832,664	72,562
Total Liabilities	<u>-</u>	<u>885,246</u>	<u>1,832,664</u>	<u>72,562</u>
Total Net Assets	<u>\$ 6,097,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Statement of Changes in Net Assets - Fiduciary Trust Fund
For the year ended June 30, 2011

Statement H

	<u>Trust Fund</u>
	<u>Retired Employees Benefit Fund</u>
Additions	
Investment Interest	\$ 10,397
Realized Gain on Investments	<u>5,138</u>
Total Additions	<u>15,535</u>
 Deductions	
Investment Expenses	<u>937</u>
Total Deductions	<u>937</u>
Change in Net Assets	14,598
Net Assets - Beginning	<u>6,082,860</u>
Net Assets - Ending	<u><u>\$ 6,097,458</u></u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Statement of Changes in Net Assets - Fiduciary Agency Funds
For the year ended June 30, 2011

	Agency Funds		
	Sheriff's Fund	Tax Collector Fund	Inmate Deposit Fund
Additions			
Suits and Sales	\$ 2,707,056	\$ -	\$ -
Fines and Bonds	4,095,845	-	-
Advance Deposits	587,528	-	-
Garnishments	436,970	-	-
Property Taxes	-	45,569,243	-
Parish Licenses	-	815,947	-
State Revenue Sharing	-	2,483,917	-
Redemptions and Refunds	11,660	1,062,165	-
Interest	4,536	29,054	-
Other	55,525	169,992	712,856
Total Additions	7,899,120	50,130,318	712,856
Distributions			
State of Louisiana			
Livingston Parish			
Assessor	-	3,139,653	-
Clerk of Court	418,778	14,952	-
Drainage Districts	-	532,426	-
Fire Protection Districts	-	4,061,530	-
Library	-	3,629,954	-
Police Jury	589,347	5,076,093	-
Recreational Districts	-	3,088,329	-
School Board	-	15,614,115	-
Sheriff	2,235,218	9,791,830	-
Twenty-first Judicial District			
District Attorney	1,363,532	1,157,754	-
Other	638,104	-	-
Other Parties			
Appraisers and Helpers	169,824	-	-
Attorneys and Litigants	447,570	-	-
Municipalities	5,213	211,710	-
Other	1,134,021	1,066,311	721,170
Pension Funds	1,251,714	1,325,447	-
Refunds and Redemptions	572,090	1,264,291	-
Total Distributions	8,825,411	49,974,395	721,170
Change in Net Assets	\$ (926,291)	\$ 155,923	\$ (8,314)

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Introduction

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Livingston Parish Sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the Parish of Louisiana. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of the neighborhood watch programs, and anti-drug abuse programs. Additionally, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsman's licenses and fines, costs and bond forfeitures imposed by the district court.

The Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of the employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is financially independent, other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana Law. Accordingly, the Sheriff is a separate governmental reporting entity.

Certain units of local government which the Sheriff exercises no oversight responsibility such as the parish government, parish school board, other independently elected parish officials and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The accompanying basic financial statements of the Livingston Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (Statement of Net Assets and Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, and charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when the Sheriff is entitled to the funds.

Expenditures, including capital outlays, are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned or unassigned fund balances are available, the Sheriff considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

The Sheriff reports the following major governmental fund:

- The *General Fund* is the Sheriff's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The following fiduciary funds are reported separately:

Trust Fund

Retired Employees Benefit Fund: This fund accounts for the resources that are held in trust for the members and beneficiaries of the Sheriff's other post-employment benefit plan.

Agency Funds

Sheriff's Fund, Tax Collector Fund, and the Inmate Deposit Fund: The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, and inmate monies. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, or deputies as prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and can not be used to address activities or obligations of the government, these funds are not incorporated into the government wide statements.

C. Budget Practices

The proposed budget for the year ended June 30, 2011, was made available for public inspection and comments from taxpayers at the Sheriff's Office during June 2010. The proposed budget, per the May 27, 2010, public notice was available for public inspection Monday through Friday, 8:00 a.m. to 4:00 p.m. The public notice also noted that all interested parties may be present at 10:00 a.m., at the Sheriff's Office to express their views concerning the Sheriff's Fiscal Budget. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Encumbrance accounting is not used. However, the budget is integrated into the accounting records, which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

D. Deposits and Investments

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Sheriff's investment policy allow the Sheriff to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Investments are limited by Louisiana Revised Statutes and the Sheriff's Investment Policy. Investments held by the Sheriff at June 30, 2011, were limited to investments for Other Post-Employee Benefits (OPEB) invested per the requirements of Louisiana Revised Statute 33:5162 and consisted of funds invested in a newly created investment trust account. Investments, when held, are reported at fair market value.

E. Revenues

Ad valorem taxes and the related state revenue sharing, which is based on population and homesteads in the parish, are recorded in the year taxes are assessed. Ad valorem taxes are assessed and become due on November fifteenth of each year and become delinquent on December thirty-first. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Federal and state grants are recorded when the law enforcement district is entitled to the funds. Sales and use tax revenues are collected by the Livingston Parish School Board and are recognized by the law enforcement district as revenue in the month the tax is collected. The Sheriff receives a half a cent parish-wide sales tax to help cover the cost of operating expenses, which does not expire. The sales tax revenue is recorded in the month it was collected. Interest on investments and all other revenues are recorded when the income is measurable and available.

F. Capital Assets

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

When surplus items are sold for an immaterial amount after being declared un-needed for public purposes, no salvage value is utilized for depreciation purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Tower	40 Years
Furniture and Fixtures	5 Years
Vehicles	5 Years
Equipment	5 - 20 Years

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

G. Compensated Absences

The Sheriff has the following policy related to vacation and sick leave:

Each year all permanent full-time employees of the Sheriff's Office earn seven to twenty-one days of vacation depending on the number of years employed, and ten days of sick leave. Prior to the fiscal year beginning July 1, 2010, all unused vacation and sick leave was forfeited. The cost of leave privileges, computed in accordance with GASB Codification C60, was recognized as a current year expenditure in the General Fund when the leave was taken.

For the fiscal beginning July 1, 2010, the personal leave policy was amended to allow "banking" of unused personal leave. A total of ten days per fiscal year will be carried forward for future use or payment upon termination or retirement. An employee may request payment of any "banked" days within thirty (30) days of the end of the fiscal year.

The Sheriff's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability, which includes both accrued vacation and sick leave, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For the fiscal year ending June 30, 2011, the compensated absences liability is recorded as a long-term liability on the government-wide financial statements until normative data is available for recording a short-term compensated absences liability.

**Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

H. Fund Equity and Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

- **Invested in capital assets, net of related debt.** This component of net assets includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- **Restricted.** This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted.** This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB 54 for the year ended June 30, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that can not be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision making authority for the Sheriff.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- **Unassigned.** These are all other spendable amounts.

I. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the parish, which are either unusual in nature or infrequent in occurrence.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

K. Deferred Revenues

The Sheriff reports deferred revenues on its statement of net assets and its fund financial statements balance sheet. Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant money is received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Deposits and Investments

At June 30, 2011, the Sheriff has cash and cash equivalents (book balances) totaling, as follows:

	<u>2011</u>
Governmental Funds	
Cash on Hand	\$ 750
Interest Bearing Demand Deposits	4,806,200
Subtotal Deposits in Governmental Fund	<u>4,806,950</u>
Fiduciary Funds	
Demand Deposits	2,790,472
Louisiana Asset Management Pool	1,093,257
Subtotal Deposits in Fiduciary Funds	<u>3,883,729</u>
Total Deposits	<u><u>\$ 8,690,679</u></u>

Fiduciary funds are not reflected in the Statement of Net Assets.

These demand deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

At June 30, 2011, the Sheriff has \$9,838,614 in deposits (collected bank balances), entirely consisting of demand deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$9,588,614 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

At June 30, 2011, the cash equivalents considered to be a demand deposit in the Louisiana Asset Management Pool (LAMP) totaling \$1,093,257 are restricted for Other Post-Employee Benefits (OPEB) and were transferred to the newly created OPEB investment trust account subsequent to year end.

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as the fair value and consists of securities of the United States Government or its agencies and as such do not require additional pledged collateral.

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2295(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment Grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

3. Investments

In the fiscal year ending June 30, 2011, the Investment Advisory Board, which governs the Livingston Parish Retired Employees Insurance Fund (LREIF), began implementation of a relationship with a professional investment manager. The LREIF is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff accounts over the Retired Employees Benefits Trust Fund as a fiduciary fund.

The Advisory Board began moving investments from the Louisiana Asset Management Pool (LAMP) in June of 2011 and completed the transfer in July of 2011. The Advisory Board adopted an investment policy which outlines asset allocation strategy, investment structure, monitoring and evaluation criteria, as well as performance measurement milestones. The Investment Advisory Board selected an initial asset allocation of thirty-five percent equities and sixty-five percent fixed income with an expected long-term return of six percent. As of June 30, 2011, assets transferred to the investment manager totaled \$5,004,202.

Investments held in (LREIF)	Composite Ratings	Percentage
Mutual Funds	Varies	80%
Money Market	Varies	20%

4. Receivables

The Governmental Fund receivables at June 30, 2011 consist of the following:

Government Receivables	General Fund
Due from Fiduciary Funds	
Due from Tax Collector Fund	\$ 151,274
Due from Other Fund Accounts	15,499
Due from Other Governments	
Due from Livingston Parish Council	107,940
Due from Livingston Parish School Board	535,928
Due to the State of Louisiana	279,436
Grants	159,108
Other	2,409
Due from Private Entities for Security Services	49,085
Total Government Receivables	\$ 1,300,679

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2011 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities Capital Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 269,556	\$ -	\$ -	\$ 269,556
Total Capital Assets Not Being Depreciated	<u>269,556</u>	<u>-</u>	<u>-</u>	<u>269,556</u>
Capital Assets Being Depreciated:				
Buildings and Tower	300,711	-	-	300,711
Equipment and Furniture	4,786,163	207,835	-	4,993,998
Vehicles	4,060,890	832,501	(713,287)	4,180,104
Total Capital Assets Being Depreciated	<u>9,147,764</u>	<u>1,040,336</u>	<u>(713,287)</u>	<u>9,474,813</u>
Less Accumulated Depreciation for:				
Buildings and Tower	(89,963)	(7,518)	-	(97,481)
Equipment and Furniture	(2,802,345)	(528,719)	-	(3,331,064)
Vehicles	(2,567,421)	(599,792)	621,979	(2,545,234)
Total Accumulated Depreciation	<u>(5,459,729)</u>	<u>(1,136,029)</u>	<u>621,979</u>	<u>(5,973,779)</u>
Total Capital Assets Being Depreciated, Net	<u>3,688,035</u>	<u>(95,693)</u>	<u>(91,308)</u>	<u>3,501,034</u>
Total Governmental Activities Capital Assets, Net	\$ <u>3,957,591</u>	\$ <u>(95,693)</u>	\$ <u>(91,308)</u>	\$ <u>3,770,590</u>
Depreciation was charged to governmental functions as follows:				
Public Safety				\$ <u>1,136,029</u>

6. Accounts, Salaries, and Other Payables

	<u>General Fund</u>
Governmental Funds Payable	
Accounts	\$ 246,207
Accrued Wages and Employee Benefits	
Accrued Salaries	11,491
Accrued Health Claims	298,702
Unemployment Payable	5,980
Other Accrued Liabilities	
Due to Livingston Parish Library	719,733
Due to Amite River Basin Committee	78,445
Deferred Revenues	30,000
Total Government Funds Payable	\$ <u>1,390,558</u>

**Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

7. State Revenue Sharing

The revenue sharing funds provided by Act 525 were distributed as follows for the year ended June 30, 2011.

Livingston Parish School Board	\$ 894,516
Livingston Parish Council	348,186
Livingston Parish Library	144,086
Livingston Parish Fire Protection Districts	259,734
Livingston Parish Sheriff	644,886
Livingston Parish Assessor	116,360
Livingston Parish Juvenile Justice Commission	19,999
Livingston Parish Gravity Drainage District	29,456
Pension Funds	26,694

Total Revenue Sharing Funds Distributed	\$ <u>2,483,917</u>
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8. Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2011 include \$1,670,812 of taxes paid under protest plus interest earned to date on the investment of these funds totaling \$130,229 for a combined total of \$1,801,041. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

9. Group Health Self Insurance

Beginning in March of 2005, the Sheriff started self-insuring the group health coverage for employees. Each month the Sheriff funds an account with an amount equal to what would be required for premiums if the previous policy had continued. From the account the health claims of employees are paid as well as a premium for stop-loss insurance which caps the claims per employee at \$30,000 per policy year. As of June 30, 2011, the account used to pay claims had a book balance of \$364,477. The Sheriff has accrued a liability for claims incurred but not reported as of June 30, 2011 in the amount of \$298,702 based on a search of actual claims subsequent to the balance sheet date.

The officers of the Louisiana Sheriff's Association may adopt a self-insurance plan to provide group coverage for health, medical and surgical expenses of participating sheriffs and deputy sheriffs. Any self-insurance plan adopted by the Louisiana Sheriff's Association shall not be subject to any of the provisions of Subpart P or Part I of Chapter 2 of Title 22 of the Louisiana Revised Statutes of 1950.

The Sheriff has committed fund balance of \$3,000,000 as of June 30, 2011 in the General Fund to allow for the possibility of several large claims being filed in a short period of time.

10. Retirement Systems

Substantially all Sheriff employees are members of the Louisiana Sheriff's Pension and Relief Fund (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS) administered by a separate board of trustees. The System is a state-wide public retirement system for the benefit of sheriffs and their staffs. The System was established and provided for within LSA-RS 11:2171 of the Louisiana revised statutes.

**Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011**

Contributions of participating sheriffs, together with shared, local and state revenues are pooled within the System to fund accrued benefits. Both employer and employee contribution rates are approved by the Louisiana Legislature. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries determined by state statute.

The remaining employees are members of the Federal Social Security System.

A. Federal Social Security System

All employees who are not eligible to participate in the Louisiana Sheriff's Pension and Relief Fund are members of the Federal Social Security System. The Sheriff and its employees contribute 4.2 percent (beginning January 1, 2011) for social security and 1.45 percent for Medicare of each employee's taxable compensation. The Sheriff's contributions during the year ended June 30, 2011 were \$31,037 for social security and \$130,246 for Medicare.

B. Louisiana Sheriff's Pension and Relief Fund (System)

Plan Description. All sheriffs and deputies who are found to be physically fit, who earn at least \$800 per month, if employed on or after January 1, 2000 and who were between the ages of eighteen and fifty at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age fifty-five with at least twelve years of credited service and receive a benefit, payable monthly for life equal to a percentage of their final average salary for each year of credited service.

A three and one third percentage factor is used for each year of service. The retirement benefit can not exceed one hundred percent of the final average salary. Final average salary is the employee's average salary over the thirty-six consecutive or joined months that produce the highest average.

Employees who terminate with at least twelve years of service and who do not withdraw their employee contributions may retire at or after age fifty-five and receive the benefit accrued to their date of termination. Employees who terminate with twenty years of credited service are eligible to elect early benefits between ages fifty and fifty-five with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled to at age fifty-five.

For the year ending June 30, 2011, plan members were required to contribute ten percent of their salary and the Livingston Parish Sheriff was required to contribute at an actuarially determined rate of twelve percent of annual covered payroll. Contributions to the System also include one half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Livingston Parish Sheriff are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Sheriff's contribution to the System for the year ending June 30, 2011, was \$1,174,269 equal to the required contributions for the year.

The System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Sheriff's Pension Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, by calling (225) 219-0500, emailing info@lsprf.com or by going to their website at www.lsprf.com.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

11. Other Post Employment Benefits

Plan Description.

The Livingston Parish Sheriff contributes to a single-employer defined benefit health care plan (The Livingston Parish Retired Employees Insurance Fund, LREIF.) The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan. Benefit provisions are established by state law (L.R.S. 33:1448(G)). The LREIF does not issue a publically available financial report.

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The statement was implemented prospectively. The beginning other post employment benefit (OPEB) liability was set at zero and actuarially determined OPEB liability relative to past service (prior to July 1, 2008) is being amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff pays one hundred percent of the medical coverage for the retiree only (not dependents). Retirees are eligible for benefits once they meet the retirement eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund. Eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund are age fifty-five with at least twelve years of service or any age with at least thirty years of service.

Life insurance coverage is continued to retirees by election and the blended rate (active and retired) is \$0.35 per \$1,000 of insurance. The employer pays one hundred percent of the "cost" of the retiree life insurance, but based on the blended rates. There is an implicit employer subsidy to the extent that higher retiree rates are diluted by the lower active employee rates. Since GASB 45 requires the use of "unblended" rates, the Sheriff uses the RP2000 mortality table to "un-blend" the rates and assign an actuarial value to the employer subsidy. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption. Zero trend was used for life insurance.

GASB 45: Accounting for Other Post Employment Benefit (OPEB) Obligations requires governmental entities to record the present value of the unfunded employer costs associated with non-retirement-based expected payments to current and former employees for post employment benefits such as health and life insurance. The Sheriff utilized a specialist to estimate the present value of the full costs of all promised health and life insurance benefits to all current and former employees included in the current benefit population utilizing such factors as the age, retirement age, expected increases in health costs, expected employer contributions, historical health claims by employee population, and other factors.

The rationale behind the implementation of GASB 45 relates to the fact that the former and current employees to the balance sheet date have provided services to the entity and have created a cost in the current period that will need to be paid in future periods based on the current employer-employee agreement. The unfunded portion of these costs will require future cash flows, which need to be considered in combination with other expected future cash outflows in order to avoid budget deficits in those fiscal periods.

Contribution Rates. All premium costs are paid by the Sheriff for active retirees.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Fund Policy. Until 2008, the Livingston Parish Sheriff recognized the cost of providing post-employment medical and life benefits (Livingston Parish Sheriff's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

During the Fiscal Year beginning June 30, 2009, Livingston Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45) and created the Livingston Parish Retired Employees Insurance Fund (LREIF), a trust to finance future payments of retired employee's premium costs. The Sheriff is required by R.S. 1448.2.B. to deposit one percent of the money received in Livingston Parish Sheriff's general fund and any other money that the Sheriff may contribute to the trust fund each year until the total amount of money, including principal and earnings, equals the sum of six million dollars.

On July 1, 2008, the Sheriff contributed the total amount of six million dollars to the trust. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Livingston Parish. The trust provides that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of six million dollars. In the event that the total amount of money derived from deposits and investment earnings falls below the sum of six million dollars, no earnings shall be withdrawn.

Annual Required Contribution. Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of thirty years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

Normal Cost	\$ 624,215
30-year UAL (Unfunded Liability) amortization amount	441,548
Annual required contributions (ARC)	<u>\$ 1,065,763</u>

Net Post-employment Benefit Obligation (Asset). The table below shows Livingston Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2011:

Beginning Net OPEB Obligation (Asset) 7/1/10	<u>\$ (2,155,906)</u>
Annual required contribution (ARC)	1,065,763
Interest on Net OPEB Obligation (Asset)	(129,354)
ARC Adjustment	<u>160,815</u>
OPEB Cost	1,097,224
Contribution	(351,267)
Current year retiree premium	<u>-</u>
Change in Net OPEB Obligation	745,957
Ending Net OPEB Obligation (Asset) 6/30/11	<u>\$ (1,409,949)</u>

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

The following table shows Livingston Parish Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical and Life	6/30/2009	4%	\$ 2,308,240	275%	\$ (4,039,176)
Medical and Life	6/30/2010	6%	\$ 2,384,499	21%	\$ (2,155,906)
Medical and Life	6/30/2011	6%	\$ 1,097,224	32%	\$ (1,409,949)

Funded Status and Funding Progress. In the fiscal year ending June 30, 2009, Livingston Parish Sheriff made a lump sum contribution of \$6,000,000 to its post-employment benefits plan by a transfer of assets within the meaning of paragraph 141 of GASB 45 as of the end of the fiscal year. The plan had assets of \$6,082,860 as of June 30, 2010.

In the fiscal year ending June 30, 2011, Livingston Parish Sheriff did not make a contribution to its post-employment benefits plan. However, in July of 2011, a lump sum contribution of \$2,000,000 was transferred within the meaning of paragraph 141 of GASB 45. The plan had assets of \$6,097,458 of June 30, 2011, prior to that transfer.

As of July 1, 2011, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$11,832,616 for medical and \$169,711 for dental, which is defined as that portion, as determined by a particular actuarial cost method (Livingston Parish Sheriff uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

The development of the funded ratio and UAAL as a percentage valuation of payroll as of June 30, 2011 are shown in the following table.

	Medical and Life
Actuarial Accrued Liability (AAL)	\$ 12,002,327
Actuarial Value of Plan Assets	<u>6,082,861</u>
Unfunded Act. Accrued Liability (UAAL)	5,919,466
Funded Ratio (Act. Val. Assets / AAL)	51%
Covered Payroll (active plan members)	9,772,241
UAAL as a percentage of covered payroll	61%

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Livingston Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Livingston Parish Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Livingston Parish Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets The actuarial value of assets is at market value.

Withdrawal Rates. Withdrawal rates based upon years of service and gender have been used to calculate the percentages applied to the employee census. The rates are shown below:

Service	Males	Females	Service	Males	Females
0 to 1	26%	26%	6 to 7	7%	7%
1	17%	17%	8	6%	6%
2	13%	13%	9 to 12	4%	4%
3	12%	12%	13 to 18	2.5%	2.5%
4	10%	10%	19 plus	1.5%	1.5%
5	8%	8%			

Retirement Rate. An age-related retirement scale based on actual experience as described by administrative staff has been used. The rates for each age are below:

Age	Turnover Rates	
	Males	Females
46 to 29	16%	16%
50 to 54	7%	7%
55 to 64	16%	16%
65	26%	26%
66 plus	100%	100%

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the returns currently obtained in the investments held in the trust, a six percent annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate. The trend assumption for medical and pharmacy costs and retiree premiums are summarized below:

<u>Year</u>	<u>Trend</u>	<u>Year</u>	<u>Trend</u>
2011	6.7%	2041 to 2045	5.0%
2012	6.5%	2046 to 2051	4.9%
2013	6.1%	2052 to 2059	4.8%
2014 to 2017	5.9%	2060 to 2070	4.7%
2018 to 2021	5.8%	2071 to 2074	4.6%
2022 to 2026	5.7%	2075	4.5%
2027 to 2031	5.6%	2076	4.4%
2032 to 2033	5.5%	2077 to 2079	4.3%
2034 to 2035	5.3%	2080 to 2098	4.2%
2036 to 2037	5.2%	2099 plus	4.0%
2038 to 2040	5.1%		

Zero trend has been assumed for valuing life insurance.

Mortality Rate. The Group Annuity Reserving (RP2000) table, projected to 2010 using Scale AA, based on a fixed blend of fifty percent of the unloaded male mortality rate and fifty percent of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the RP2000 mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays one hundred percent of the cost of the medical costs for the retirees. The rates provided applicable before Medicare eligibility are "blended" rates. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired before Medicare eligibility using the following table:

Age	Retiree		Spouse	
	Male	Female	Male	Female
35	\$ 3,531	\$ 6,399	\$ 3,531	\$ 7,034
40	4,308	6,462	4,308	6,816
45	5,469	7,107	5,469	7,269
50	6,968	8,144	6,968	8,204
55	8,516	8,949	8,516	8,971
60	10,616	10,203	10,616	10,211
65	3,495	3,330	3,495	3,330
70	4,268	3,985	4,268	3,985
75	5,173	4,735	5,173	4,735
80	6,044	5,479	6,044	5,479
85	6,891	6,262	6,891	6,262

Other Assumptions

Coverage One hundred percent of employees who elect coverage while in active employment and who are eligible for retiree medical benefits are assumed to elect continued medical coverage in retirement.

Spousal Coverage Eighty-five percent of members are assumed to be married with thirty-five percent of those married participants electing spouse coverage upon retirement.

Spouse Age Difference Females are assumed to be three years younger than males, for active employees.

12. Deferred Compensation Plan

All of the employees of the Livingston Parish Sheriff are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to twenty-five percent of their salary (not to exceed \$16,500 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Sheriff matches employees' contributions according to plan specifications. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited in an account in the employee's name. The Livingston Parish Sheriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2011, the Sheriff contributed \$422,092 to the plan.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

13. Compensated Absences and Long Term Debt.

At June 30, 2011, employees of the Sheriff have accumulated and vested \$173,385 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Due to the policy change described in note 1, the beginning compensated absence balance for the year was zero. There were no other long term liabilities. Total interest expense for the year ended June 30, 2011 was \$13,279.

14. Tax Collector Account

Cash on Hand at Fiscal Year End

The balance at Tax Collector at June 30, 2011, consisted of the following:

Tax Collector Operating Account	\$ 31,623
Tax Collector Protested Taxes Account	1,801,041
Cash Balance at Fiscal Year End	<u>\$ 1,832,664</u>

The total of \$31,623 for the Tax Collector Operating Account consisted of accumulated interest income only, which was disbursed to taxing districts in July 2011. The total of \$1,801,041 within the Tax Collector Protested Taxes account at June 30, 2011, consisted of tax payments and accumulated interest income, for tax payments placed in escrow pending legal settlement. Amounts in escrow at June 30, 2011, consisted of the following:

<u>Taxpayer</u>	<u>Accumulated Interest Income</u>	<u>Total Tax Payments Escrowed</u>	<u>Total Taxes and Interest</u>
Transcontinental Gas	\$ 39,885	\$ 231,208	\$ 271,093
LA Generating, LLC	2,864	17,174	20,038
Gulf South Pipeline	8,307	49,821	58,128
Southern Natural Gas	74,261	891,017	965,278
Central Progressive Bank	3,954	32,453	36,407
Council on Aging	249	449,848	450,097
Total Taxes and Interest	<u>\$ 129,520</u>	<u>\$ 1,671,521</u>	<u>\$ 1,801,041</u>

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

Amount of Current Taxes Collected for the Fiscal Year Ending June 30, 2011:

The amount of current taxes collected for the fiscal year ended, per taxing authority consisted of the following:

Taxing District	Current Taxes Collected
Livingston Parish Assessor	\$ 3,050,629
Livingston Gravity Drainage District No. 1	524,636
Livingston Fire Protection District No. 1	146,747
Livingston Fire Protection District No. 2	246,759
Livingston Fire Protection District No. 4	1,719,079
Livingston Fire Protection District No. 5	726,866
Livingston Fire Protection District No. 7	48,501
Livingston Fire Protection District No. 8	131,683
Livingston Fire Protection District No. 9	165,948
Livingston Fire Protection District No. 10	118,857
Livingston Fire Protection District No. 11	16,670
Livingston Fire Protection District No. 4 (User Fees)	595,802
Livingston Fire Protection District No. 7 (User Fees)	29,905
Livingston Fire Protection District No. 9 (User Fees)	67,186
Livingston Fire Protection District No. 11 (User Fees)	13,942
Livingston Parish Library	4,001,406
Livingston Parish Police Jury	4,217,977
Livingston Recreation District No. 2	714,993
Livingston Recreation District No. 3	2,235,150
Livingston Recreation District No. 5	270,783
Livingston Parish School Board	15,366,404
Livingston Parish Sheriff	8,580,784
Florida Parish Juvenile District	1,188,455
City of Denham Springs	211,208
Comite River District	104,243
Carter Plantation Community Development District	110,867
Livingston Parish Council on Aging	724,927
Louisiana Tax Commission	4,011
Louisiana Forestry	22,976
Total Current Taxes	\$ 45,357,394

There were no uncollected taxes at June 30, 2011, and all tax collections were disbursed to taxing districts at June 30, 2011, or held in escrow at fiscal year end pending legal determination for distributions.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

15. Risk Management

The Sheriff is exposed to various risks of loss related to law enforcement liabilities: torts, theft, damage or destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the Sheriff maintains commercial insurance policies covering automobile liability, general liability, commercial crime, law enforcement, public official's liability, worker's compensation and employer's liability. There have been no significant reductions in insurance coverage for the current year or in the three prior years. The Sheriff has committed \$3,000,000 of the June 30, 2011 fund balance in the General Fund to allow for the possibility of several large claims being filed in a short period of time.

16. Contingent Liabilities

At June 30, 2011, the Livingston Parish Sheriff is involved in several lawsuits and claims, which are either adequately covered by liability insurance or in the opinion of legal counsel, will not result in any liability to the Sheriff.

On November 15, 2010, the 21st Judicial District Court ruled in favor of the Livingston Council on Aging involving commissions retained by the Sheriff on ad valorem property tax collections. The case has implications for the Sheriff and two other taxing districts: the Amite River Basin Comite Canal tax and the Livingston Parish Library tax. Total reimbursement due to these entities at June 30, 2011 amounted to \$1,307,952, which has been accumulated in the financial statements inside the Tax Collector Fund. However, the Sheriff has appealed this ruling for a review of the legal issue by a higher court.

17. Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's administration offices are located in the parish courthouse building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Livingston Parish Council. These costs are not included in the accompanying financial statements.

18. On-Behalf Payments for Fringe Benefits and Salaries

A portion of the salaries of the Sheriff's deputies are paid through a supplement from the State of Louisiana. These payments provide the deputies of the Sheriff with an additional \$600 per month, which is added to their base salary. For the fiscal year ended June 30, 2011, in accordance with GASB 24, the Sheriff recorded \$414,880, of on behalf payments as revenue and as an expenditure in the General Fund.

19. Prior Period Adjustments

Beginning Government Wide Net Assets for the fiscal year beginning July 1, 2010 were reduced by \$142,026 from \$10,633,510 to \$10,491,484 to adjust the value of capital assets down to re-estimated values based on an internal review of capital assets by the Sheriff.

20. Subsequent Events

These financial statements considered subsequent events through October 4, 2011, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2011.

Required Supplemental Information (Part II)

Schedule 1

Livingston Parish Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Favorable
Revenues				
Taxes				
Ad valorem	\$ 7,468,000	\$ 8,286,100	\$ 8,584,245	\$ 298,145
Sales and Use	5,900,000	6,100,000	6,097,507	(2,493)
Intergovernmental				
Grants	710,000	280,000	348,018	68,018
Support of Prisoners	1,522,600	2,219,500	2,272,805	53,305
State Revenue Sharing	670,000	634,000	644,886	10,886
Fines, Forfeitures and Other Fees	2,088,800	2,753,700	3,192,771	439,071
Use of Money and Property	160,000	388,000	374,943	(13,057)
Miscellaneous	82,000	50,800	206,099	155,299
On Behalf Payments - State Supplemental Pay	345,000	395,000	414,880	19,880
Total Revenues	18,946,400	21,107,100	22,136,154	1,029,054
Expenditures				
Public Safety				
Personal Services and Related Benefits				
Salaries	9,059,000	9,364,900	9,772,241	(407,341)
Employee Benefits	4,055,500	5,202,298	5,389,506	(187,208)
Operating Services	1,597,350	1,693,570	1,450,316	243,254
Professional Services	908,000	802,000	1,168,844	(366,844)
Materials and Supplies				-
General	885,000	750,450	754,878	(4,428)
Prisoners	500,000	1,216,000	1,319,358	(103,358)
Vehicles	825,000	719,000	765,039	(46,039)
Total Public Safety	17,829,850	19,748,218	20,620,182	(871,964)
Capital Outlays	950,000	1,075,000	1,040,337	34,663
Total Expenditures	18,779,850	20,823,218	21,660,519	(837,301)
Excess Revenues (Expenditures)	166,550	283,882	475,635	191,753
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	47,000	94,995	47,995
Total Other Financing Sources (Uses)	-	47,000	94,995	47,995
Net Change in Fund Balances	\$ 166,550	\$ 330,882	570,630	\$ 239,748
Fund Balances, Beginning			4,146,441	
Fund Balances, Ending			\$ 4,717,071	

See accompanying notes and accountant's report.

Notes to Budget Comparison Schedules

Budgetary procedures applicable to the Livingston Parish Sheriff are defined in state law, Louisiana Revised Statutes 39:1301-1315. The Sheriff uses the following budget practices:

Proposed budgets are prepared on the modified accrual basis of accounting and published in the official journal at least ten days prior to the public hearing. Public hearings are held at the Livingston Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary. Budgets are established and controlled by the Sheriff at the object level of expenditures. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and one budget amendment. The Sheriff must adopt a budget each year for the general fund and each special revenue fund, if applicable. The Sheriff must prepare and submit the proposed budget for consideration not later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in the parish.

All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. Budgetary amendments involving the transfers of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Sheriff. The Sheriff adopts necessary budget amendments when actual operations are different from those anticipated in the original budget, and they are made available for public inspection.

Other Supplemental Information (Part III)

STATE OF LOUISIANA, PARISH OF Livingston
AFFIDAVIT

WILLIE GRAVES (Sheriff's Name), Sheriff of Livingston (Parish)

BEFORE ME, the undersigned authority, personally came and appeared,
(Name), the sheriff of Livingston Parish, State of Louisiana,
who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 31,224.71 is the amount of cash on hand in the tax collector account on
6-30-11 (Date);

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2010, by taxing authority,
are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the
failure to collect, by taxing authority, are true and correct.

[Signature]
Signature
Sheriff of Livingston
(Parish)

SWORN to and subscribed before me, Notary, this 4th day of October 2011, in my office in
the LIVINGSTON, Louisiana.
(City/Town)

[Signature]
(Signature)

(Print), # _____
Notary Public
(Commission)

RONALD J. MORSE, SR.
NOTARY PUBLIC #42632,
PARISH OF LIVINGSTON
MY COMMISSION IS FOR LIFE

**Summary Schedule of Audit Results
For the Year Ended June 30, 2011**

- . The auditor's report expresses an unqualified opinion on the basic financial statements of the Livingston Parish Sheriff.
- . No instances of noncompliance material to the basic financial statements of the Livingston Parish Sheriff, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
- . Significant deficiencies disclosed in prior year audits and instances of non-compliance with Louisiana Revised Statutes were resolved at June 30, 2011.

**Livingston Parish Sheriff
Livingston, Louisiana**

Schedule 4

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2011**

Reference Number: 2010-1 (Invoice Processing).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2010

Type Finding: Significant deficiency in internal control over financial reporting.

Criteria: The prior year finding noted that invoices for payment should be supported by sufficient evidence which indicates the policies established by the governmental unit have been complied with.

Condition: The finding for the fiscal year ending June 30, 2010, indicated that invoices are processed without attaching purchase orders. There was no indication that the amounts had been verified as to extension and devoid of sales tax. In addition there is no approval of the general ledger coding.

For each item selected for testing for the fiscal year ending June 30, 2011, the purchase footed to supporting documentation. Beginning in March of 2011, the Sheriff's Office implemented a purchase order system. Under the purchase order system, purchase orders are issued separately, from pre-numbered purchase order books, for the General Fund, Jail, Road Deputies, and Detectives division. A copy of the purchase order goes directly to the accounting department. The receipt of items is verified through the office of the Chief Civil Deputy. Upon receipt of invoices, the accounting department matches the purchase order to the invoice and issues checks. In addition, purchases are closely supervised by the Chief Civil Deputy who authorizes all non-routine purchases and signs all checks. The detailed general ledger is reviewed on a monthly basis by the Chief Civil Deputy for proper general ledger coding.

Effect: Purchases must be authorized and documentation must exist to support the purchase.

Recommendations: No additional recommendations.

Response by Management: We will continue to closely monitor all purchases made by the Livingston Parish Office.

Description of Action Taken: Final

Reference Number: 2010-2 (Public Bid Law).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2010

Type Finding: Compliance finding reported in accordance with *Government Auditing Standards*.

Criteria: Governmental agencies are required to obtain competitive bids for purchases over certain amounts.

**Livingston Parish Sheriff
Livingston, Louisiana**

Schedule 4

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2011**

Condition: The finding for the fiscal year ending June 30, 2010, stated that the Sheriff publishes a request for bids at the beginning of the fiscal year. The request did not contain any specifications for the items listed. The finding further stated that no competitive bids were received from vendors due to the public notice not being specific.

For the fiscal year ending June 30, 2011, we sampled 50 transactions for bid compliance and found, for the transactions sampled, that the Sheriff's personnel had taken reasonable actions to comply with the intent of the bid law. The annual request for bids noted that specifications were available on request, with the annual notice intended to plan out purchases for the year and bids were received in response. Additional procedures were performed to obtain lower pricing. For vehicles subject to the bid law, a written comparison was made to State Contract prices, and the purchases were made at or below the State Contract price in accordance with Louisiana Revised Statutes 39:1710. For food purchases, bids were requested on an annual basis, but bids were not received. Price lists were obtained from available vendors on a weekly basis, with notices of price increases provided in advance. Daily purchases are made from price lists based on the available lowest prices.

Recommendations: No additional recommendations.

Response by Management: We request bids for food items on a weekly basis, and we will ensure that a log is maintained of all requests for bids on food items for the prisoners.

Description of Action Taken: Final

Reference Number: 2010-3 (Check Signing).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2010

Type Finding: Significant deficiency in internal control over financial reporting.

Criteria: Required check signatures must be included on all checks.

Condition: For the fiscal year ending June 30, 2010, the finding noted that checks are pre-printed with the Sheriff's signature or a signature stamp is used on the majority of checks being processed.

We noted that for the fiscal year ending June 30, 2011, the use of a signature stamp has been discontinued, but checks are pre-printed with the Sheriff's signature. In all disbursements tested, the checks were also signed by the Chief Civil Deputy or his designee.

Effect: Although a second signature increases control over financial reporting, the primary goal is to ensure that checks are issued for authorized purchases.

**Livingston Parish Sheriff
Livingston, Louisiana**

Schedule 4

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2011**

Recommendations: Checks tested included authorized signatures. We recommend that all purchases continue to be reviewed for proper authorization.

Response by Management: It is our opinion that each check issued by the Sheriff's Office is properly authorized. We will continue to monitor the authorization of each check and in the next order of checks pre-printed electronic signatures will be removed on dual signature checks. All checks will continue to require at least one manual signature from the Chief Civil Deputy.

Description of Action Taken: Final.

Reference Number: 2010-4 (Monthly Financial Statements and Budget Comparison & Monitoring Budget).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2009

Type Finding: Significant deficiency in internal control over financial reporting.

Condition: For fiscal year ending June 30, 2010, this finding indicated that monthly financial statements and budget comparisons should be prepared and reviewed in a timely manner. The accounting office has delayed preparing financial statements until the annual audit adjustments are finalized.

For the fiscal year ending June 30, 2011, the financial statements and all material annual adjustments were prepared by the Livingston Parish Sheriff's Office. For the General Fund, we noted that it is standard procedure for the Chief Civil Deputy to review the detailed general ledger on a monthly basis for proper accounting coding and disclosure, and to review budget-to-actual on a periodic basis. Current procedures do not require initialing or sign-off for review.

For agency funds, we noted that budget compliance is not the primary issue. Funds must be properly recorded, disbursed, and reported per legal requirement. Within the Tax Department, tax software is used to control the receipt of ad valorem taxes and fines. This is an agency fund and the requirement is that taxes and fines be properly recorded and disbursed to taxing districts and agencies and individuals per legal requirement. Quick Books is used within this department, not as the primary accounting software, but as a secondary control to ensure that categories of revenue are disbursed correctly. Quick Books is used to determine that taxes "zero out"- that revenues are disbursed per legal requirement. There are also extensive spreadsheets maintained to support the recording and calculation of prior year taxes. At each remaining agency fund level, including Sheriff's Fund and Inmate Deposit Fund, program printouts were available detailing the receipt and disbursement of funds and the composition of any funds to be disbursed in future years. Within the prison, inmate deposits and disbursements are controlled by an automated system administered by an outside vendor.

Effect: Reports must be issued on a monthly basis and reviewed on a periodic basis.

**Livingston Parish Sheriff
Livingston, Louisiana**

Schedule 4

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2011**

Recommendations: No recommendations.

Response by Management: We are currently reviewing financial reports and will continue to review budget to actual reports.

Description of Action Taken: Final

Reference Number: 2010-5 (Unclaimed Property).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2009

Type Finding: Compliance finding reported in accordance with *Government Auditing Standards*.

Criteria: Louisiana Revised Statutes require that funds for checks outstanding for over two years be remitted to the State Treasurer.

Effect: Unclaimed checks must be returned to the State Treasurer on a periodic basis.

Condition: The finding for the fiscal year ending June 30, 2010, indicated that the government has not consistently remitted unclaimed funds to the State.

For the fiscal year ending June 30, 2011, the Sheriff's Office reviewed all unclaimed checks and forwarded all checks over one year outstanding to the State Treasurer's Office.

Recommendations: The Sheriff complied with recommendations.

Response by Management: We have complied with recommendations and will continue to forward unclaimed checks to the State Treasurer as required.

Description of Action Taken: Final

Reference Number: 2010-6 (Delay in Submitting Report to Legislative Auditor).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2009

Type Finding: Compliance finding reported in accordance with *Government Auditing Standards*.

Criteria: The governmental unit must submit its annual financial audit to the Legislative Auditor within six months of the end of the fiscal year.

Condition: For the fiscal year ending June 30, 2010, it was noted that the Sheriff was unable to submit the audit by the required deadline.

**Livingston Parish Sheriff
Livingston, Louisiana**

Schedule 4

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2011**

For the fiscal year ending June 30, 2011, the financial audit is being finalized and will be submitted within the required time period.

Recommendations: No recommendation. The Sheriff complied to recommendations.

Response by Management: We have complied to the audit recommendation.

Description of Action Taken: Final

Reference Number: 2010-7 (Lack of Written Procedures and Policies).

Year Initial Finding Occurred: Fiscal Year Ending June 30, 2009

Type Finding: Significant deficiency in internal control over financial reporting.

Criteria: The governmental unit must have policies and procedures in effect to control its financial operations.

Condition: It was noted for the fiscal year ending June 30, 2010, that the government unit did not have written policies and/or procedures in effect for its key financial areas and related operations.

For the fiscal year ending June 30, 2011, we noted the Sheriff had adopted a comprehensive employee procedures manual on January 1, 2009, and after prior year audit recommendation adopted the "Livingston Parish Sheriff's Office Administration and Finance Policy and Procedure Orders" manual. We also noted as part of the financial audit, there were extensive controls in place for the receipt and distribution of funds. For the Tax Department, there were six different collection stations with responsibility for collection tracked through the tax program, and separate review of receipts and deposit of funds. The tax program produced listings of funds to be disbursed per taxing district, with the use of Quick Books as a secondary control on the disbursement process. Inmate receipts and disbursements were controlled through the use of automated software. Cash receipts were limited through the General Fund, with the majority of receipts from outside agencies. For each of the funds, additional financial procedures had been written, and were being reviewed at the time of this audit report.

Effect: As additional financial controls are implemented, the agency has additional assurance that transactions are properly recorded and accounted for.

Recommendations: No additional recommendations.

Response by Management: We have complied with audit recommendations and will continue to revise financial controls as needed.

Description of Action Taken: Final

**Livingston Parish Sheriff
Livingston, Louisiana**

Schedule 5

**Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2011**

Compliance Findings (Reported in Accordance with Government Auditing Standards)

No findings.

Internal Control Findings (Reported in Accordance with Government Auditing Standards)

No findings.

Internal Control and Compliance Material to Federal Awards

There were no findings related to federal awards.

Management Letter

No management findings.

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Eric J. Rodrigue, CPA
Kristi U. Bergeron, CPA
Michael P. Eslay, CPA

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Livingston Parish Sheriff
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Livingston Parish Sheriff, as of and for the year ended June 30, 2011, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated October 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Livingston Parish Sheriff's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Sheriff's responses to prior year findings are included in the *Corrective Action Plan for Current Year Audit Findings*. We did not audit the Sheriff's responses, and accordingly we express no opinion on response to the findings.

To Livingston Parish Sheriff
Livingston, Louisiana
Page 2

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Livingston Parish Sheriff's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A significant deficiency is a deficiency, or combination of deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies in internal control.

This report is intended solely for the information of management, federal awarding and pass-through entities and the Louisiana Legislative Auditor and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

October 4, 2011